The significance of the report on the future of European competitiveness, drawn up by former Italian prime minister and European Central Bank governor Mario Draghi (Draghi, 2024), is that it offers a thorough diagnosis of the weaknesses and opportunities of the economic and institutional setting of the European Union. The report, published 9 September, rightly points out that, given the negative long-term demographic trends facing the EU and the lack of a common integrated policy on migration, the only driver of sustainable European growth is labour productivity, and mainly its elusive but crucial component represoagn these transformations and safeguard the current level of social protection. According to Draghi (2024), combining the green and digital transitions would require around €800 billion annually in additional investment over the next decade. And the social impact of these economic changes would mean additional costs to improve education and to include the most vulnerable people (including migrants) in the new economy.

The EU must therefore improve its growth performance to free resources to finance additional investments, but it cannot boost growth without innovative and sustainable reforms and investment. Draghi puts forward a convincing set of policies to break out of this catch-22 situation, including ways to boost productivity growth.

In line with another report by a former Italian prime minister, Enrico Letta's April 'Much more than a market' report (Letta, 2024), Draghi stresses the importance of completing the single market in areas where pervasive national segmentation persists [2] . The best examples are high-tech services, such as telecommunications, and the financial sector. Overcoming market fragmentation would mean less duplication in national expenditures and would ensure that the necessary consolidation of firms to build companies at European scale does not hinder market competition. It would also allow the exploitation of economies of scale and scope and create greater opportunities for innovations and their diffusion.

A true single market in the financial sector would enable the mobilisation of the huge wealth held by European households and firms, and its allocation to the green and digital transitions. As is often repeated [3] , the completion of EU capital markets union is crucial, as banks are unsuited to finance this type of investment, which is, so to say, long in ideas and short in collateral.

Draghi makes very granular recommendations on how to implement new sectoral and horizontal policies. His leitmotif is 'joined-up policy-making' [4] to achieve a greater degree of common planning that should be articulated at all levels of decision making. For this, it is necessary to overcome unanimity requirement that often paralyses the EU by giving countries effective vetoes. Similarly to Letta (2024), Draghi suggests recourse to a '28th regime' that would allow companies to opt out from national regulatory frameworks and follow rules valid everywhere in the EU.

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1. See also Joaquin Almunia, Giuliano Amato, Laszlo Andor, Olivier Blanchard, Marco Buti, Elena Carletti ... Thomas Wieser, 'The European Union at the time of the New Cold War: A Manifesto', ¶ ·